## AMENDED IN ASSEMBLY APRIL 19, 2006

CALIFORNIA LEGISLATURE—2005-06 REGULAR SESSION

## ASSEMBLY BILL

No. 2379

## **Introduced by Assembly Member Berg Chan**

February 23, 2006

An act to add Article 5 (commencing with Section 100340) to Chapter 2 of Division 101 of the Health and Safety Code, relating to public health laboratory directors. An act to amend Section 14094.3 of the Welfare and Institutions Code, relating to Medi-Cal.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2379, as amended, Berg Chan. Public health laboratory directors. Medi-Cal: managed care.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and other low-income persons. Existing law provides for the department to enter into contracts with managed care systems, hospitals, and prepaid health plans for the provision of various Medi-Cal benefits. Existing law prohibits California Children's Services covered services from being incorporated into a Medi-Cal managed care contract entered into after August 1, 1994, until September 1, 2008, except with respect to contracts entered into for county organized health systems in specified counties.

This bill would eliminate the September 1, 2008, termination of the prohibition against CCS covered services being incorporated into a Medi-Cal managed care contract entered into after August 1, 1994, thus extending the prohibition indefinitely.

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Existing law establishes the State Department of Health Services within the Health and Human Services Agency, and establishes the organization and scope of responsibilities of the department, including maintaining a laboratory and laboratory branches to meet the responsibilities of the department, regulating laboratory services, and licensing certain laboratorie

This bill would require the department to establish the Public Health Director Training Program, through which the department would be required to issue stipends in the form of loans for each of 4 Ph.D. candidates in the appropriate University of California program and for 4 microbiologists in suitable public health postdoctoral programs, and to pay for the establishment of a 2-year postdoctoral public health microbiologist training program for 2 candidates at the department. The bill would provide for the repayment of the loans through service in a local public health laboratory, as specified.

This bill would establish the Public Health Director Training Program Fund to be used, upon appropriation by the Legislature, for purposes of these loans.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14094.3 of the Welfare and Institutions 2 Code is amended to read:
- 3 14094.3. (a) Notwithstanding this article or Section 14093.05
- 4 or 14094.1, CCS covered services shall not be incorporated into
- 5 any Medi-Cal managed care contract entered into after August 1,
- 6 1994, pursuant to Article 2.7 (commencing with Section
- 7 14087.3), Article 2.8 (commencing with Section 14087.5),
- 8 Article 2.9 (commencing with Section 14088), Article 2.91
- 9 (commencing with Section 14089), Article 2.95 (commencing
- 10 with Section 14092); or either Article 2 (commencing with
- Section 14200), or Article 7 (commencing with Section 14490) of Chapter 8, until September 1, 2008, except for contracts
- of Chapter 8, until September 1, 2008, except for contracts entered into for county organized health systems or Regional
- Health Authority in the Counties of San Mateo, Santa Barbara,
- 15 Solano, Yolo, Marin, and Napa.
- 16 (b) Notwithstanding any other provision of this chapter, 17 providers serving children under the CCS program who are

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enrolled with a Medi-Cal managed care contractor but who are not enrolled in a pilot project pursuant to subdivision (c) shall continue to submit billing for CCS covered services on a fee-for-service basis until CCS covered services are incorporated into the Medi-Cal managed care contracts described in subdivision (a).

- (c) (1) The department may authorize a pilot project in Solano County in which reimbursement for conditions eligible under the CCS program may be reimbursed on a capitated basis pursuant to Section 14093.05, and provided all CCS program's guidelines, standards, and regulations are adhered to, and CCS program's case management is utilized.
- (2) During the time period described in subdivision (a), the department may approve, implement, and evaluate limited pilot projects under the CCS program to test alternative managed care models tailored to the special health care needs of children under the CCS program. The pilot projects may include, but need not be limited to, coverage of different geographic areas, focusing on certain subpopulations, and the employment of different payment and incentive models. Pilot project proposals from CCS program-approved providers shall be given preference. All pilot projects shall utilize CCS program-approved standards and providers pursuant to Section 14094.1.
- (d) (1) The department shall submit to the appropriate committees of the Legislature an evaluation of pilot projects established pursuant to subdivision (c) based on at least one full year of operation.
- (2) The evaluation required by paragraph (1) shall address the impact of the pilot projects on outcomes as set forth in paragraph (4) and, in addition, shall do both of the following:
- (A) Examine the barriers, if any, to incorporating CCS covered services into the Medi-Cal managed care contracts described in subdivision (a).
- (B) Compare different pilot project models with the fee-for-service system. The evaluation shall identify, to the extent possible, those factors that make pilot projects most effective in meeting the special needs of children with CCS eligible conditions.

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(3) CCS covered services shall not be incorporated into the Medi-Cal managed care contracts described in subdivision (a) before the evaluation process has been completed.

- (4) The pilot projects shall be evaluated to determine if:
- (A) All children enrolled with a Medi-Cal managed care contractor described in subdivision (a) identified as having a CCS eligible condition are referred in a timely fashion for appropriate health care.
- (B) All children in the CCS program have access to coordinated care that includes primary care services in their own community.
  - (C) CCS program standards are adhered to.
- (e) For purposes of this section, CCS covered services include all program benefits administered by the program specified in Section 123840 of the Health and Safety Code regardless of the funding source.
- (f) Nothing in this section shall be construed to exclude or restrict CCS eligible children from enrollment with a managed care contractor, or from receiving from the managed care contractor with which they are enrolled primary and other health care unrelated to the treatment of the CCS eligible condition.

SECTION 1. Article 5 (commencing with Section 100340) is added to Chapter 2 of Division 101 of the Health and Safety Code, to read:

Article 5. Laboratory Training Program

100340. For purposes of this article, the terms have the following meanings:

- (a) "Division" means the Public Health Microbiology Section of the department.
- (b) "UCLA" means the Microbiology Department of the University of California at Los Angeles.
- (c) "CAPHLD" means the California Association of Public Health Laboratory Directors.
- (d) "County public health laboratory director" means the county employee certified under the federal Clinical Laboratories Improvement Act of 1988 (42 U.S.C. Sec. 263a) and state regulations with legal and administrative responsibility for functioning of the local public health laboratory, including

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linking with appropriate private clinical laboratories, appropriate local public health laboratories in the same region, and the state public health laboratory system.

- (e) "CCLHO" means the California Conference of Local Health Officers.
- (f) "CDC" means the federal Centers for Disease Control and Prevention.
- (g) "CHEAC" means the County Health Executives' Association of California.
- 100340.1. (a) The department shall establish and administer the Public Health Director Training Program. The department shall commence to accept applications for participation in the program on January 1, 2007.
- (b) The department shall implement the program to grant loans in the form of stipends for a period of three years for the payment of tuition as follows:
- (1) Loans to each of four candidates for the degree of Ph.D. in an appropriate program of the University of California.
- (2) Loans to each of four microbiologists in appropriate public health post-doctoral training programs.
- (c) The department shall establish a two-year postdoctoral public health microbiologist training program for two candidates at the department, and shall provide support for two public health microbiologists in an appropriate postdoctoral training program at UCLA by the payment of applicable administrative fees.
- (d) The department shall establish a commission that includes representatives of UCLA, CAPHLD, CCLHO, and CHEAC. The commission shall provide advise to the department in the implementation of the program established under this article.
- 100340.2. (a) Loans made pursuant to this article shall be forgiven for service in a local public health laboratory for each year of financial support provided under this article. The department shall adopt procedures applicable to the repayment of loans granted under this article and procedures for processing loans of individuals who are unable to repay a loan within the guidelines.
- (b) Participants in the program established under this article shall agree to a minimum of one year of service in a local public health laboratory upon satisfactory completion of training, certification, and recommendation by their training supervisors.

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The department may authorize a leave of absence from that

- 2 service for reasons of serious illness, pregnancy, and any other
- 3 natural cause that prohibits a person from providing the service.

  4 The department shall in consultation with the commission
- 4 The department shall, in consultation with the commission,
- 5 develop guidelines for determining the maximum permissible 6 length of a leave of absence under this section and the process for 7 reinstatement of the service requirement.

100340.3. The department shall select and place applicants for participation under this article.

100340.4. The department shall adopt guidelines for the selection of applicants under this article, and shall give priority consideration to applicants who are best suited to meet the needs and demands of the position of local public health laboratory director, with consideration with the following:

- (a) Recommendations for the position by a local public health department.
  - (b) Work experience in an appropriate public health facility.
  - (e) An economically disadvantaged background.
- (d) With respect to postdoctoral candidates, eligibility as a public health laboratory director on completion of the postdoctoral program.
- 100340.5. Each participant in the program established under this article shall be assigned a participating current public health laboratory director, who shall act as a mentor and advisor to the participant for the initial two years of service as a local public health laboratory director.
- 100340.6. There is hereby established in the State Treasury the Public Health Director Training Program Fund. Moneys in the fund shall be used by the department, upon appropriation by the Legislature, for loans made under this article.
- 100340.7. The department and the commission shall each submit an annual report to the appropriate committees of the Legislature. The report shall include all of the following:
  - (a) The number of program participants.
- (b) The training location and public health laboratory placement locations.
- (c) The amount of funds expended in the implementation of this article.
- (d) Information on the overall status of actual and projected vacancies of local public health laboratory director positions.

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100340.8. The department and the commission shall report to the appropriate committees of the Legislature no later than October 1, 2007, on the experience of the program since the inception of the program, an evaluation of the effectiveness of the program in improving the laboratory response network in California, and recommendations for maintaining or expanding the program.

100340.9. The department shall adopt emergency regulations to implement this article. The adoption, amendment, repeal, or readoption of a regulation authorized by this section is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code. The emergency regulations shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations, and shall remain in effect for no more than 180 days.